

California labor law checklist 2026

Minimum wage	\$16.90 an hour.
Tipped cash wage	\$16.90 (no tip credit)
Next change	\$17.40 on January 1, 2027
Local rates	More than 30 cities and counties, including Los Angeles, San Francisco, San Jose, and San Diego, set higher local minimum wages. Large fast food chains must pay at least \$20 an hour, and covered health care facilities follow a separate schedule.
Overtime	Overtime at 1.5 times the regular rate after 8 hours in a day, 40 hours in a week, and for the first 8 hours on the seventh consecutive workday. Double time after 12 hours in a day and after 8 hours on the seventh consecutive day.
Exempt salary test	Exempt employees must earn at least twice the state minimum wage for full-time work: \$70,304 a year in 2026 and \$72,384 in 2027.
Meal breaks	A 30-minute unpaid meal break for shifts over 5 hours (can be waived for shifts of 6 hours or less), and a second meal break for shifts over 10 hours. A missed or late meal break means one extra hour of pay at the regular rate.
Rest breaks	A paid 10-minute rest break for every 4 hours worked or major fraction of 4 hours. A missed rest break also triggers one extra hour of pay.
Final pay if fired	Immediately, on the last day of work.
Final pay if they quit	Within 72 hours, or on the last day if the employee gave at least 72 hours' notice.
Unused PTO	Required. Earned, unused vacation and PTO are wages and must be paid out at the final rate of pay. Use-it-or-lose-it policies aren't allowed.
Paid sick leave	Paid sick leave of at least 40 hours or 5 days a year. Employees earn at least 1 hour for every 30 hours worked, or you can front-load the full amount.
Paid family leave	Paid Family Leave and State Disability Insurance, funded by employee payroll deductions. PFL pays up to 8 weeks of partial wage replacement for bonding or caring for a family member.
Pay transparency	Required for employers with 15 or more employees: pay scale in every job posting, and on request for current employees.
New hire reporting	Report each new hire within 20 days of the hire date, the federal deadline.
State income tax	Withhold state income tax.
State agency	California Department of Industrial Relations: https://www.dir.ca.gov

What trips up California employers

- ☐ Final pay is due on the last day for terminations. Late final pay costs up to 30 days of wages in penalties.
- ☐ Meal and rest break violations cost one hour of pay per day per type of break, and they add up across a workforce.
- ☐ Fast food restaurant workers at large chains have a \$20 minimum, and health care workers have a separate schedule.
- ☐ The exempt salary test is tied to the minimum wage, so it rises every January.
- ☐ Check the minimum wage on January 1 and July 1, and update payroll and posters.
- ☐ Confirm final pay timing before every termination meeting.

All 50 states and DC, comparison tables, and a free CSV: hrtally.com/state-labor-laws

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